CHINA'S CLAIMS

at the

PEACE TABLE

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THE CHINA SOCIETY OF AMERICA, INC.
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In sending out this pamphlet, The China Society assumes no responsibility for either the matter, or the method of presentation. It is pleased to aid in circulating the same, because of the world-wide interest in the questions discussed and also because a world peace of righteousness and justice includes China.

This bulletin is especially timely in view of the momentous matters now under consideration by the Paris Peace Commission.

We ask a thoughtful reading on the merits of the claims set forth.

The China Society of America, founded in 1911, was chartered "to promote, foster, and perpetuate the friendly relations between the United States and China, and to disseminate among the American and Chinese people each to the other a correct knowledge of the ideals, culture, and progress of the two nations."

"The Society stands for the undivided territorial and political sovereignty of China."

Those in sympathy with these purposes are invited to become members.

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CHINA AND THE LEAGUE OF NATIONS

Among all the powers of the world, great and small, now gathering at the Paris Conference, China endorses the plan of the League of Nations most unhesitatingly and wholeheartedly. Immediately after the announcement of the proposed League Constitution, China, throughout the length and breadth of the Republic, entertains but one sentiment, that, hereafter a new order of nationalism and internationalism based on right and justice is to reign in the world, and by this new order, China hopes to get an honorable place among the family of nations, which she is legally and morally entitled to, and by which she will be able not only to realize her material development without molestation from outside, but also to render greater and better services to mankind at large. This universal sentiment of China has been voiced by both her government and people. From Peking and from elsewhere, cables of congratulation have been forwarded to President Wilson, the founder of the League, with messages of appreciation and pledges of support for the newly organized international federation. Dr. V. K. Wellington Koo, one of China's delegates at Paris, and one of the members on the committee of the drafting of the League Constitution, has repeatedly declared China's strong and firm stand for the League, in the council meetings as well as in the plenary sessions. Why does China have such an undivided and overwhelming enthusiasm and faith in the League?

China endorses the League of Nations, because she agrees with the ideals and principles involved, in her heart, not merely in words. She believes in interna-

tional amity and good will in the strictest sense of the term. She aspires to nothing but peace and friendship with other powers. Militarism and imperialism China dislikes most, for they are alien and unknown to the democratic mind of the Chinese people. The ethical code for international relations that China has learned from her long-continuous history and age-honored civilization is one of mutual respect and unselfish cooperation among the parties concerned. Friendly relations should always be maintained one nation with another; and international disputes or quarrels if any, should always be settled through amicable means. Small and weak nations should be left unfettered and unmolested; and a common enemy menacing the world peace should be crushed by all members of the society of nations, through diplomatic channels, if possible, and through armed demonstration if necessary. International rivalries and intrigues, as such, have never been taught by China's old teachers; and war is always against the moral conception of Chinese philosophy. In these ideals and principles China, as a nation, believes from time immemorial; and in these ideals and principles the League of Nations promises a permanent peace of the world for the ages to come. This coincidence of fundamentals makes China's membership in the League one of instinctive affiliation rather than one of artificial inclination.

China, as a member of the League, has a supreme duty to perform, a duty of helping the realization of ideals and principles, for which both she herself and the League stand. First and foremost, China chooses to appeal to the liberal world for a complete readjustment of the Far Eastern status. In appealing for this

readjustment, China is working for the interests of the world peace, not for the interest of herself alone, because the Far Eastern problem, if not solved now once and for all, would cause another world catastrophe as disastrous as the one just ended. Ever since the contact of the Orient with the Occident, the Far East has been a field of intrigues and rivalries among the European and the Europeanized states; and China has been the target of all the evil forces of the bye-gone generation. Non-militaristic and peace-loving as China is, she has been mercilessly treated as an inexhaustible prey of "Secret Treaties," "Spheres of Influence," and "Balance of Powers." The history of the Far Eastern diplomacy played by different powers contains dark records shameful both to humanity and civilization, incompatible either with Kultur, or with culture, or with Bushido. Not for one day during the last few decades, China has ceased to be the victim of the ever condemnable aspiration known as imperialism, be it political, economic, religious, or otherwise, aspired to by one nation or another, particularly by her Germanized neighbor in late years. The Far East has thus become a centre of complicated troubles. In China there are still growing conflicts of interests and policies of different nations; these conflicts alone, regardless of the natural opposition on the part of the Chinese, would be enough to lead into another world-wide bloody struggle. This, however, the Peace delegates at Paris are seeking to avoid, and the spirit of the League does not allow.

That China has ample justification in her claim of readjusting her relations with foreign powers, no one will deny. But will the European and the European

states consent to such a readjustment unconditionally? Surely they will, if not for the sake of China, then for the sake of the newly founded League. The League of Nations will be absurd and meaningless if it will tolerate further continuance of old immoral as well as impolitic policies practiced by the powers in the Orient. With the birth of the League, a new era has been inaugurated. The age of imperialism, imperialism of any description, is gone forever. China is just as tired of her humiliations as the world is tired of wars. The world democracy cries for the elimination of future wars; and the new regime of liberalism calls for an immediate renunciation of China's humiliations. All the wrongs that China has suffered from other powers during the last century, and for which she herself has never been responsible, must be one and all righted. Before the League of Nations can be secure and before China can become an effective and efficient member of the League her complete sovereignty and independence must be restored. Before the world is safe for democracy, the Pacific must be preserved pacific. In this appeal China is aiming, neither at revenge nor at her own nationalistic interest, but at the perfection of the League ideals and principles in deeds as well as in letter. She is sure that the other members of the League will share her aim, which is common to all and antagonistic to none.

China is a nation with an enormous population and unlimited resources, backed up by a splendid history and advanced civilization. She has never upheld the selfish ambition of taking alone, but not giving. As one of the members of the League, she is willing to

serve the world any way possible, either toward material progress or toward spiritual advancement. Materially her inexhaustible resources and labor will increase the comfort and luxury of every nation; and spiritually, her ancient history and civilization will contribute intellectual delightfulness and ethical wholesomeness to mankind. She has been expecting to render these services to her sister nations in return for her debt to the modern scientific learning of the West, but she has never been given a chance, for every step she moves she is hampered by treaties or concessions with one power or another. Unless China is left free to manage her own affairs, the ideal civilization for the new era as sought by the League of Nations will remain only as a dream. If the League of Nations is to mean future happiness for mankind, China's international standing must be revised, so that she can play her important role of the League programme well.

Unfortunately or fortunately, China's case should assume such an importance and magnitude at Paris Conference. Her claims at the Peace Table as outlined in the following pages should not be overlooked. They are in fact the crucial tests of the ideals and principles of the League of Nations. The success or failure of the League depends upon the solution of the Far Eastern question. If the spirit of the League is to be applicable to China, then the prospect of the new regime is bright and safe. If China, after such a display of enthusiasm and faith over the League plan, is to be disappointed by the verdict of the Conference, then the future of the League will be very much in doubt. The problem of the Far East is

indeed momentous. Four hundred millions of people are facing a life and death sentence at Paris; and upon this sentence the fate of the permanent peace of the world is going to depend. China pleads for nothing but fair play and sound judgment. For the interest of the world peace and for the interest of four hundred millions of people a death sentence should not be tolerated by the enlightened powers, particularly the United States of America, in whom China has deepest confidence and by whom the upright plan of the League of Nations is originated.

CHINA'S PEACE CLAIMS

I. The Unconditional Return of Kiao-Chou

Kiao-Chou, including the commercial port of Tsing-tao, is an integral part of Chinese territory. It is situated on the southern coast of Shantung Province. The Bay of Kiao-Chou, together with the port of Tsingtao, forms one of the finest commercial centres of the world. Kiao-Chou, owing to its promontories overlooking the Gulf of Chih-Li, has great military and naval value, both for offensive and defensive purposes; and from Tsing-tao, the Kiao-Chou-Tsinan Railroad controls the mainland of Shantung, leading to Chih-Li Province in which is located the capital of China, Peking.

Since 1898, Kiao-Chou has been leased to the former German Government for 99 years, because of a trivial murder of two Catholic missionaries by native Chinese. Following this precedent, one nation after another came to China for territory; the lease of Kiao-Chou thus marked the beginning of dark history of Far Eastern diplomacy. When the war broke out in Europe in 1914, China, seeing the opportunity to destroy the miniature of German Kultur in the Orient, established in Kiao-Chou, offered to declare war on Germany; but this offer was refused by Japan, and by Japan alone, obviously for her selfish motives. Instead, the Island Empire demanded Germany to withdraw her occupation from Kiao-Chou; and upon failure of the latter's answer, she, with the help of British military and naval forces, crossed neutral territory of China and captured her objective, Kiao-Chou, including Tsing-tao, on November 7, 1914. Since the capture, Japan

has been Japanizing the territory all the time. She collected the customs duty from the port, which for the four years has run up to tens of millions of dollars. She replaced German administration, with methods and systems peculiarly Japanese. She maintained a large army and a strong fleet in Kiao-Chou, which was called for by no occasion. She has sent to the territory thousands of Japanese subjects, representing all kinds of petty professions, including prostitution. Worse than that, she has even established civil administration and military stations along the Kiao-Chou-Tsinan Railroad, outside the territory of Kiao-Chou, which the Germans never dared to do. In spite of numerous protests from Chinese Government and people, Japan showed little willingness to modify her policy until very recently.

On the day when Japan sent her ultimatum to Germany in August, 1914, Count Okuma, then the Japanese Premier, telegraphed to the press in America, saying: "Japan's proximity to China breeds many absurd rumors, but I declare that Japan acts with a clear conscience in conformity with justice, and in perfect accord with her ally. Japan has no territorial ambitions and hopes to stand as the protector of the peace in the Orient." On another occasion he reiterated his statement as follows: "As Premier of Japan, I have stated and I now again state to the people of America and of the world that Japan has no ulterior motive, no desire to secure more territory, no thought of depriving China or other people of anything that they now possess. My Government and my people have given their pledge which will be as honorably kept as Japan always keeps promises." Public state-

ments to the similar effect have been once and again issued by Japanese governmental officials. Even as late as January 21, 1919, Viscount Uchida, the Japanese Foreign Minister, told the world through his speech in Japanese Parliament, "It goes without saying that Japan has no territorial ambition in China or elsewhere, neither does she contemplate any action which might militate against that development of the legitimate intent and welfare of the Chinese nation. We have solemnly pledged ourselves to respect the territorial integrity of China and to abide faithfully by the principle of equal opportunity and the open door for commerce and industry." But all these statements became meaningless, when Premier Hara answered the interpellation in the Japanese Diet on February 21, 1919, that he did not see any reason for China to claim the restoration of Tsing-tao.

While the Japanese Premier and other Japanese expansionists fail to see the ground of China's claim, we Chinese fail to see the reasoning of Japanese logic tinged with Teutonic philosophy. The only argument that the Japanese may base their contentions that they have the right to keep Kiao-Chou and Tsing-tao as their own is deducted from the following treaty and note between China and Japan.

a. Treaty of May 25, 1915, respecting the Province of Shantung: Article I. The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions which Germany, by virtue of treaties or

otherwise, possess in relation to the Province of Shantung.

b. Exchange of Notes on May 25, 1915, respecting the restoration of the leased territory of Kiao-Chou Bay: When, after the termination of the present war, the Leased Territory of Kiao-Chou is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

1. The whole of Kiao-Chou Bay to be opened as a commercial port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the powers desire it, an international concession may be established.

4. As regard the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration.

This treaty and note were signed and exchanged under pressure of force. Plainly speaking, they amount to the old philosophy—might is right. By this philosophy Japan maintains that by virtue of her conquest over the Germans she subsequently succeeds the enjoyment of all German rights and privileges in Kiao-Chou conceded by China to the former German

Government through treaty or otherwise. She further maintains that if Kiao-Chou is to be returned to China, the above quoted four specified conditions must be fulfilled by China.

Against these contentions China maintains the following:

A. Legally Japan has no justification to keep Kiao-Chou. China's declaration of war on Teutonic Powers in August, 1917, abrogated all treaties and agreements existing between China and the former German Government, and automatically terminated at the same time the Chino-Japanese Treaty of May 25, 1915, respecting the Province of Shantung. Upon this abrogation and termination of treaties and agreements, including the lease of Kiao-Chou, China is the only one who has the right to claim back all interests and privileges conceded to the former German Government. The mere fact that Japan captured Kiao-Chou from the Germans does not give Japan any right of succession over the interests and privileges enjoyed by the Germans since 1898, because China signed the lease with Germany alone, and with nobody else. Japan's occupation in Kiao-Chou has no other legal status than a military occupation; and as such she has no right to retain the said territory, when the military necessity ceases. As "a sincere friend of China," as "a protector of the peace in the Far East," and as "an upholder of international law," as Japan is used to style herself, she should have handed over to China unconditionally all her occupation in Shantung, particularly in Kiao-Chou, before China claims for the same. For compensation of the campaign of Tsingtao, if any and if justifiable, Japan should ask for that

from the Germans. China has nothing to do with the campaign, and thus she sustains no obligation to Japan whatsoever. Japan therefore has no legal justification in retaining Kiao-Chou and Tsing-tao, and China's claim for the restoration of the same is therefore in accordance with the international law.

B. Morally Japan has no right to keep Kiao-Chou. One of the established principles of international law regarding the termination of treaties and agreements is that when a treaty or agreement is concluded upon threat of force, that treaty or agreement is voidable. The note between China and Japan of May 25, 1915, was exchanged after the same threat that made China yield to Japan's Twenty-One Demands. China consented the conditions for the restoration of Kiao-Chou as Japan specified them in the above quoted note, only because of the pressure of that threat. If these specified conditions are to be carried out, the restoration of Kiao-Chou would not mean anything in actual fact. This is particularly true in the case of the second condition, which says, "a concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government." What does this mean? The "place" Japan has in mind is the port of Tsingtao, the best of all naval bases on Chinese coast. In other words, under this condition, Japan would try to deceive the world as well as to deceive China, by restoring Kiao-Chou, but keeping the best part of the territory for herself, namely, Tsing-tao. The fulfilment of this condition, China will never consent, and the world should never permit, for Japanese occupation of Tsing-tao will not only impare China's territorial integrity, but also shut off equal opportunity

of commerce and industry that other nations have the right to share in the Province of Shantung. Thus the restoration of Kiao-Chou would not be complete until every part of the territory of Kiao-Chou, Tsing-tao not excepted, is turned over to China. The master stroke of deceipt of Japan exemplified in the specified conditions should be condemned, and Japan must be made to live up to her own words, "Japan has no territorial ambition in China or elsewhere." In the spirit of the ideals and principles that the League of Nations stands for, we Chinese therefore claim that the note exchanged on May 25, 1915, should be made null and void, and the entire territory of Kiao-Chou should be restored to China without any conditions attached whatsoever.

Incidental to the claim for the restoration of Kiao-Chou, we further appeal to the enlightened Powers sitting at Paris for fair judgment on the problems set forth below. In carrying out the campaign of Tsing-tao, Japan violated the neutrality of China. She was attacking her enemy in a third neutral country. The international law has never allowed such a violation of neutrality. No provision in the law will justify Japan's action, and Japan must be duly punished for this violation. The campaign of Tsing-tao lasted for about three months, during which China suffered losses of life and property in the territory where the battle was fought. Justice should provide compensation for China. Since the German withdrawal from Kiao-Chou, Japan has exacted from the customs duty an amount far exceeding the actual expenses of the campaign. If the international law is to be upheld,

China is entitled for a favorable adjustment of this customs receipt with Japan.

China therefore has ample justification, both legally and morally, to claim for the restoration of Kiao-Chou, and for the adjustment of the incidental problems. To this justifiable claim of China, the Peace Conference should not deny. If Japan is to get what she wants, then the war would be fought in vain, and the League of Nations would be nothing but words.

II. The Nullification of the Chino-Japanese Treaties of 1915 and the Secret Agreements of 1918

a. The Treaties of 1915.

We demand the nullification of the Chino-Japanese treaties of 1915 on three grounds. First, because they were made under duress and threat. Second, because they impair China's independence. Third, because they are a menace to the future peace of the world.

As to the first, little need be said than stating briefly how these treaties came about. As the world knows, the Chino-Japanese treaties of 1915 are results of the notorious Twenty-One Demands presented to China by Japan on January 18, 1915, for the purpose, as the opening sentence of the Japanese demands declared, "of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations." Of course we need not wonder whether the general peace in Eastern Asia was in any

way endangered or whether the friendly relations between the two nations needed such an extra strengthening. In plain words, Japan simply coveted the things embodied in her 21 demands. The European powers were breathlessly engaged in fighting German militarism; America also focussed her attention on the battlefield of the Western Hemisphere. Everybody was busy save Japan. It was a God-sent chance for Great Nippon. The "ten thousand years" had come and must not let pass. Accordingly, Japan presented her 21 demands to China. She presented them with a warning that the matter must be kept secret and that if it should be known to the world China must suffer the consequences for it. China, bullied and helpless, obeyed the order of her neighbor, who sought to strengthen "the friendly relations" with her. Therefore the matter was not known to the outside world until many weeks after, when finally the news through some way leaked out. Then the nation was alarmed and the world bewildered. But Japan stood firm and pressed her demands ever resolutely. The Chinese government, seeing it impossible to escape the designed blow, agreed to 15 of the 21 demands, pleading that the other 6 being of a nature violating her sovereign rights she "felt difficult to accept." In order to show her determination, Japan changed on April 26 the original 21 demands into 24. China was still unyielding and the negotiations lasted another three weeks. Then, on May 7, under a clear sky, the Japanese Minister at Peking handed to the Chinese President an ultimatum, which stated that with the exception of Group V Japan expected China to ac-

cept unconditionally all the demands within 48 hours. The last sentences of the ultimatum read:

> "The Imperial Government hereby offer their advice and hope that the Chinese Government, upon this advice, will give satisfactory reply by 6 o'clock p.m. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time the Imperial Government will take such steps as they may deem necessary."

Meanwhile, the Japanese warships had already been dispatched to Chinese waters and Japanese troops were under orders for action. Japan thus decided to teach China her national religion that might is right. China, being a peaceful nation and in no condition to test the prowess of the Sunrise Kingdom, bowed, as the events proved, to the inevitable and yielded unconditionally to the Asiatic Prussia. Then followed the exchanges of notes making the interpretation of the terms still unbearable to a nation already humiliated; the treaties were concluded on May 25, 1915.

This is the origin of the Chino-Japanese treaties of 1915. They were forced upon China. They have no validity in a time when we say "might does not make right." The treaties of Brest-Litovsk and Budapest have been annulled because they were made under duress. Yet Russia and Rumania had been at war with Germany and the treaties were natural consequences of a lost war. But China was innocent and gave Japan no provocation. Compare the two sets of unprovoking to Japan. Compare the two sets of

treaties, one will be convinced that Germany, ruthless as she was, still showed more leniency toward Russia and Rumania than Japan toward China. Can there be any slightest reason that Nippon should not follow the example of Deutchland?

In the second place, Japan should not be allowed to retain her booty of 1915 because the treaties concluded seriously impair China's existence as an independent nation. To be true to fact, let us examine some of the most important terms of the treaties.

Article 1 of the Treaty respecting Shantung declares: "The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung." This eliminates China's sovereign rights from that province and makes it a pawn between Japan and Germany. If Germany had no right in the home land of Confucius, then what right has Japan? Furthermore, the same treaty stipulates that when China wants to build a certain railroad in the Province of Shantung, she shall approach the Japanese capitalists first to negotiate for a loan. This is not different from saying that the railroad must be built by Japan.

Article 1 of the Treaty repecting South Manchuria and Eastern Inner Mongolia declares that the terms of lease of Port Arthur and Dairen and the terms of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to 99 years. The term "99 years" is simply a pleasant substitute

for perpetual ownership. Articles 2, 3, 4, and 5 of the same treaty provide that Japanese subjects in South Manchuria shall have the right to reside, travel, and "engage in business and manufacture of any kind whatsoever" freely and that in civil and criminal cases in which the defendants are Japanese, they shall be tried and adjudicated, not by Chinese court, but by Japanese consul. It can be easily inferred from these provisions that Japan can manufacture munitions and implements of war against China even within the very borders of China herself and yet with perfect immunity.

In the subsequent exchanges of notes, China is obliged to negotiate loans with Japanese capitalists first when she wants to build railways with foreign capital in South Manchuria and Eastern Inner Mongolia or when she wants to make loans on the security of the taxes in the above-mentioned places. Moreover, if foreign advisers or instructors on political, financial, military, or police matters are to be employed, Japanese have the right of preference. Inasmuch as China needs the assistance of foreign capital in building railways and inasmuch as China often employs foreign advisers for purposes of internal reform, these provisions practically give Japan complete control over these provinces and reduce China's sovereignty to a mere fiction.

What is more astonishing is the stipulation respecting the Hanyehping Iron and Coal Company, China's largest iron works. The clause regarding this reads:

> "If in future the Hanyehping Company and the Japanese capitalists agree upon co-opera-

tion, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese."

The Hanyehping Company is China's only iron work worth mentioning and had been hitherto under the control of the Chinese. By this agreement, the control, needless to say, has been transferred from Peking to Tokyo.

So far we have just reviewed the circumstances under which these treaties were made and the nature of the treaties, which is absolutely incompatible with China's sovereign rights. Now let us turn to the third phase of the question, namely, the treaties as a menace to the future peace of the world.

These treaties are a menace to the future peace of the world in two ways. First, the recognition of these treaties is a direct sanction of imperialism and will invite further conflicts among those nations which have interest in the Far East. Balance of power will again come into play. Spheres of influence will be resuscitated with additional vigor. The natural result will be inevitably a clash of arms and the world will be set on fire again. Secondly, the Chinese people will not stand these iniquities. They have awakened to the new meaning of life; they want to manage their national affairs by themselves, as they have done so for thousands of

years. An imposed master, from whatever source and for whatever purpose, not only will be refused but will soon meet his fate. We are tired of abject submission and will tolerate no more wrongs. The establishment of the Republic was the first sign of China's decision to become a modern power. The record of the last seven years is a strong proof of the nation's determination to march on the road of progress with other nations and nothing can stand in its way. Yuan Shih-kai's imperial dream proved a fiasco and Chang Hsun's attempt to restore the boy emperor resulted in a farce. The Civil War of last year was a more vigorous manifestation of the nation's sense of justice and right. In short, the age of toleration of injustice has gone and the Chinese people know this. When the rest of the world is fighting for justice, China can not allow herself to be a criminal by tolerating injustice. Intrigue and design, as such, we will resist at any cost.

From what has been said, it is obvious to every fair-minded person that for the promotion of justice, for China's national existence, and for the future peace of the world, the Chino-Japanese Treaties of 1915 should be condemned and nullified. We are sure the enlightened people of the world will echo our appeal with sympathy and support.

b. The Secret Agreements of 1918

There are about eighty secret agreements between China and Japan; many of them are known only to the men who negotiated them. But those we know may be divided into two classes. One is

the Agreements relating to the Chino-Japanese Military Convention of May, 1918, and the other the three sets of notes exchanged on September 24, 1918. The latter have been recently published by the Chinese delegates to the Peace Conference, but the former still waits to be disclosed. When, a month ago it was first reported that the Chinese delegates to the Peace Conference would disclose the secret treaties imposed upon China by Japan, the Japanese Minister at Peking warned the Chinese Government that should the Chinese delegates choose to do so, Japan would exert her financial pressure on China. The Minister from the Island Empire also informed the Chinese Government that "no help from outside could be expected because while Great Britain was engrossed in her internal disturbances, Japan had an unemployed army and navy." Despite the audacity of the Chinese delegates in revealing some of the secret agreements, obviously the threat of the "unemployed army and navy" served its purpose.

Nevertheless, the Agreements of May, 1918, though unpublished, are not altogether unknown to the public. The Chinese newspapers some time ago gave out the general nature of them and a recent despatch from London, published in a New York newspaper on February 13, confirmed the report of the Chinese press. Briefly stated, the most important terms of the Agreements relating to the Chino-Japanese Military Convention of May, 1918, are as follows:

1. China to recognize Japan's preponderating influence in the Orient and call Japan's police power to suppress the disorder in the Southern Chinese provinces.

2. China to employ Japanese arsenal directors and purchase all arsenal appliances from Japan.

3. China to make no further foreign loans without consulting Japan.

4. China to grant no further railway concessions to foreigners without consultation with and permission of Japan.

What do these terms amount to? Are they anything less than financial and military control of China by Japan? If so, is China still an independent nation or a Japanese colony? Or, better, is there any China left at all?

Drastic as the provisions of the Military Convention are, the notes exchanged on September 24, 1918, are not next to them in their insidious design. The first set of these notes gives the Japanese capitalists the privilege of financing the railways to be built first, between Kaiyuan, Hailung, and Kirin; second, between Changchun and Taonan; and third, from a point between Taonan and Jehol to some seaport. The total distance of these railways is over 600 miles. The plan is, of course, to consolidate and strengthen Japan's position in Manchuria and Mongolia, both politically and militarily.

The second set of these notes deals with the administration of Shantung, over which Japan poses as an over-lord. According to the disclosed documents, Japan is to concentrate her troops at Tsing-tao, with a contingent stationed at Tsinan, the capital of Shantung, and Japanese are "to be employed at the headquarters of the police force, the principal railway stations, and the training stations of the police force." The concentration of Japanese troops at Tsing-tao, to-

gether with the employment of Japanese police force in Shantung, is for a military purpose, not in Shantung, but beyond it. Shantung, Japan thinks, is already her own; she now looks farther. This project will be seen in a clear light when we examine the third set of these secret notes.

The third set of these notes is a more thorough and audacious project of Japan's attempt to conquer China. It gives Japan the right to build railways: first, from Kaomi, twenty miles west of Tsing-tao, running southwest to Suchow, about 250 miles, connecting with the railway from Lanchow, in Kansu Province, to the sea; and second, from Tsinan, in Shantung Province directly west to Shunteh, a distance of about 150 miles. This would connect with the railway operating from Peking to Hankow, on the Yang-tze River, and connect Tsing-tao with all the important railways in North China. With military headquarters established at Tsing-tao and with all the strategic railways in control, Japan is ready to overrun all China, north and south. What a masterful scheme!

China will surely become a Japanese province if these secret agreementts are not made null and void. Besides, secret agreements are in direct contradiction with the principle of "open covenants." If the League of Nations is not to be built on sand, all secret agreements of whatever kind must meet their proper fate.

III. The Cancellation of the Boxer Indemnity

It was in the year 1898—20 years from today—on account of the murder of two Roman Catholic priests, Germany seized Kiao-Chou. In the same year Russia

pounced upon Port Arthur and Talien-Wan—all these the strategic bases of China. Following suit, Great Britain took the lease of Wei-hai-wai.

This rapid spoliation of the Chinese territory aroused the patriotism of the Boxers. Ignorant and yet daring, they started the anti-foreign movement. The Manchu Empress Dowager, who, chafing under the iron heels of the powers, was only too glad to find an ally for her bigoted vindication of the Chinese sovereignty.

The sad events that occurred in 1900 need no comment here. Suffice it to say that throughout the tragic episode, the uprising was confined to the districts around Peking, and that the great majority of the Chinese had no part whatever in the fanatic project. The most enlightened viceroys, like Yuan Shi Kai and Liu Kwan I, refused to obey the secret orders of the Empress Dowager to kill all the foreigners, but on the contrary gave protection to them. The outbreak itself never spread beyond the south of the Yellow River.

Not only the great majority of the Chinese did not have any share in the uprising, but on the contrary they stoutly opposed such suicidal project. When the outbreak was in its full swing, they were unable to exert their will, for then the Manchu regime was a pure autocracy, over which the Chinese had no control. But after the outbreak, especially when they had learned the bitter lessons of humiliation, they gradually began to realize that the bigoted Manchu regime which had instigated the uprising must not be allowed any longer to pilot the ship of state, and they expressed their conviction in the Revolution of 1911, which resulted in the downfall of the Manchu

Dynasty. In its place they inaugurated the new regime of the Chinese Republic, which portended a new foreign policy—"peace on earth and good will toward all."

Such is the background of the case. From this, we can see that the Boxer Uprising was not a concerted action of the Chinese, but rather the fanatic project of the autocratic Manchu rulers and ignorant officials. The majority of the Chinese people did not take part in the movement. They were its opponents. And yet when the trouble was over, the whole country was made to pay to the powers an indemnity of $350,000,000 with compound interest to be paid in annual instalments from 1901 to 1940. The following is the table showing the manner in which the indemnity was divided to different powers:

Power	Proportion (per cent)	Haiknan Taels		Foreign Currency
Germany	20,015 67	90,070,515	Mks.	278,166,423.93
Austria-Hung.	,889 76	4,003,920	Kr.	10,394,092.40
Belgium	1,885 41	8,484,345	Fr.	31,816,293.75
Spain	.030 07	135,315	Ps.	507,431.25
United States.	7.319 79	32,939,055	Dol.	24,440,778.81
France	15.750 72	70,878,240	Fr.	265,793,400.00
Great Britain .	11,249 01	50,620,545	£	7,593,080.19
Portugal	.020 50	92,250	£	13,837.17
Italy	5.914 89	26,617,005	lire	99,803,768.75
Japan	7,731 80	34,793,100	Yen	48,950,891.70
Holland	.173 80	782,100	Fi.	1,404,651.60
Russia	28.971 36	130,371,120	Rou.	180,084,021.44
Norway &. Sw.	.013 96	62,820	£	9,423.00
Sundry	.033 26	149,870	£	22,450.10

This big sum of indemnity has been a tremendous burden on the Chinese people. It destroys the economic strength of China. It has been imposed on China far beyond the actual damages done to the powers, and costs of the expedition. And yet in spite

of financial stringencies and political disturbances existed in China during the last fifteen years, China has always met her obligations faithfully. The instalments were regularly paid whenever they were due.

That justice should demand the remission of the excessive amount of the indemnity none will deny. The remission of $10,785,286.12 to China in 1908 by the United States is an upright example, and has since created an unspeakable good will in China. This good will, however, should not be enjoyed by the United States alone.

As soon as China declared war on the Central Powers in August, 1917, the unpaid portions of the indemnity due to Germany and Austria-Hungary were automatically cancelled. But the outstanding sum due to the other powers is still enormous, about $560,000,000 in total. Although the payment has been postponed for five years since China's participation in the war, yet mere postponement does not mean that the powers have done full justice to China. China wants a total cancellation of the outstanding sum, which would help her greatly in her internal development.

China will not feel grateful to the powers, however, if they would remit the remaining sum to her conditionally, as Japan has tried. Last September, Japan proposed to return the indemnity. But her proposal was strongly refused by China, because of the onerous terms attached. These terms were, (1) A Japanese adviser should be allowed to be present at conferences of Chinese cabinet for considering proposals to be submitted by the Chinese government at the Peace Conference. (2) Prior to the end of the

European War, China shall not borrow money from any other country to return loans contracted from Japan and cancel the loan agreements. (3) Japan's direction of the use of the indemnity fund and her subsequent control of the exports of China's iron, cotton, and wool products. Any terms like these, backed up by sinister motives, China will never welcome.

Therefore it is the unconditional cancellation that China is appealing for. The money belongs to China; she wants free right to dispose the same for whatever purpose she likes to. Conditions of any sort would impair her sovereign rights. It has been decided, however, by the Chinese Government that the indemnity fund, when returned, will be used for her internal development, especially along education lines. With this decision, the powers are assured that the cancellation of the indemnity will do greatest good to China. Why do not the powers follow the glorious example of the United States and remit the unpaid part of the indemnity to China? This generosity on the part of the powers will surely create good will among the Chinese who opposed the Boxer Uprising but have been compelled to bear the responsibilitity for the penalty therefor.

IV. The Restoration of Tariff Autonomy

The existing conventional tariff in China is also one of the most serious of the grievances that China appeals the Peace Conference for rectification. Broadly speaking, there are two kinds of tariff—the statutory tariff and the conventional tariff. Statutory tariff is regulated by the legislation of a state without outside

interference and is based on the right of taxation enjoyed by all sovereign states. Such a tariff is elastic and may be utilized for revenue, for the protection of infant industries, or for furthering the political and economic interests of a state through reciprocal or preferential arrangements. A convential tariff, on the other hand, is established by treaties with other countries. It is inelastic and carried with it none of the advantages of the other system. It is this conventional tariff system which is in force in China at the present time.

The history of China's tariff may be briefly stated. It was in the year 1842 when China sustained a crushing defeat at the hands of the British because of trade disputes that China was forced to agree not to levy a tariff exceeding five per cent ad valorem on imported and exported goods. It is further stipulated in the Nanking Treaty of 1842 that the tariff rate is to be uniform and not to be changed without the previous consent of the High Contracting Parties. Through the operation of the so-called "most-favored-nation" clause whereby a privilege granted to one nation is automatically extended to other nations, this conventional tariff has come to be applied to goods imported from all foreign countries that have treaty relations with China.

The Nanking Treaty of 1842 which compelled China to adopt a conventional tariff was somewhat modified by the Mackay Treaty concluded between Great Britain and China in 1902. In that treaty Great Britain agrees that China should have the right to levy a surtax of 7½ per cent on imported goods upon the fulfillment of the following conditions:

(1) if the likin is to be abolished, (2) if all "most-favored-nations" should join in the understanding, and (3) if their assent were not to depend on "any political concession or any exclusive commercial concession." This Mackay Treaty further provides for a complete revision of the tariff at the end of ten years. In 1912 the question of revision was brought up but nothing was accomplished. In August, 1917, after China had declared war on Germany, the Allied powers were pursuaded to agree to the raising of the tariff to an effective 5 per cent. This was absolutely necessary in view of the fact that the tariff then existing was fixed in 1902, and that since 1902 the price of commodities has been considerably increased.

Such is a brief history of the conventional tariff in China. Our next step is to inquire into the main features of the system. In the first place the conventional tariff provides for a uniform rate of five per cent on imported and exported goods. It does not distinguish raw materials from manufactured goods nor luxuries from necessities. Consequently it fails to do justice to the poor people who have to depend for their existence upon the necessities and it affords no protection for infant industries which are just developing in the country. This arrangement is very unfortunate, for an import duty is but a tax on consumption and as such should be justly distributed. To levy an uniform tax on both necessities and luxuries is to impose an undue burden on the laboring class. Hence, it violates the first principle of taxation and is working directly against the well-established practice of the modern advanced countries. Experience in other countries has also

demonstrated that infant industries such as those developing in China must need protection in order to secure for them a normal growth and development. This is not necessarily a selfish policy, as to foster home industries is but one of the most effective means of increasing the per capita wealth of the country and consequently the purchasing power of the nation for foreign goods and commodities. Therefore, even from the point of view of their own commercial interest, the treaty powers should agree to the complete removal of the tariff restrictions on China.

The second great defect of the conventional tariff in China is that it provides for only a five per cent tariff, which is entirely too low for revenue purposes. This is self-evident when we compare the custom receipts of the various countries. In the United States the revenue of the Federal government before the Civil War consisted chiefly of custom receipts. Even in the fiscal year 1913-1914 just before the outbreak of the world war the custom receipts yielded some 39 per cent of the total Federal income. In Germany customs and excises also contributed in 1913 about 45 per cent of the total ordinary revenue. In France in 1914 customs yielded some 20 per cent of the total revenue including both direct taxes and direct contributions. Even Great Britain, a free-trade country, depends upon its tariff for revenue. The duties on imports alone amounted in 1914 to over 22 per cent of the total revenue. On the other hand, China realized in 1914 only about 9 per cent of her total revenue from customs. It is true that in that year the total revenue of the state was $351,064,812, while the custom revenue amounted to HK Tls 18, 202,741

were derived from import duties. In China, unlike in other countries, the maritime customs include not only import duties but also export duties, coast trade duties, tonnage dues, transit dues and opium likin. This in part explains why China has to borrow, even under onerous terms, for reorganization and other purposes. This in part is also responsible for the political intrigue carried on in the various foreign loans that threaten to destroy the fiscal independence of the Republic of China. It is clear therefore that if justice is not to be denied to China and if China is to be given a fair chance to work out her own salvation, she must have her tariff autonomy restored. This is beneficial not only to the Chinese nation as a whole but also to all the treaty powers concerned, as a stable government based on sound finance will enable the Chinese people to improve their communication facilities, to develop their natural resources and thereby to increase the volume of international trade and commerce. The fact that likin has been a great obstacle to both internal and external trade and that its abolition must necessarily be accompanied by increasing the tariff rate as a compensation, makes it even more necessary that these crippling tariff restrictions on China should be abolished.

The history of the conventional tariff having been briefly stated and its main features discussed, it remains for us to emphasize once more the grave injustice done to China by the treaty powers. It can not be too often nor too strongly stated that if this tariff remains in force, China will be permanently crippled both in respect to her internal development and her foreign trade. Growing industries must be

impeded. Revenues will be insufficient. Foreign loans must be contracted. The people who are obliged to pay high duties on necessities will have their already heavy burdens unduely increased. And the foreign trade can not be sufficiently developed either to balance or to counteract these evils.

Not alone is this conventional tariff detrimental to the best interest of the Chinese Republic but it is also harmful to the various powers concerned. It must be clear to every thoughtful person that a China, unabled to develop her resources and consequently having next to no foreign trade, can contribute very little to the development of the world, and that thus the treaty powers, by persisting in their attitude, are indirectly injuring themselves. Therefore, not only justice but also the self-interest of the treaty powers demands that China should have restored to her the tariff autonomy to which every free nation is justly entitled.

V. The Relinquishment of Extraterritorial Jurisdiction

The origin of extraterritoriality in China can be traced as far back as the seventeenth and eighteenth centuries when a want of regard for Chinese laws characterized the foreigners who went to China for the sole purpose of replenishing their purses. Great Britain, especially, resisted the exercise of China's jurisdiction over her subjects in criminal cases. Finally a bill passed the House of Commons in 1833 which provided for the establishment of a British court in China and this was duly executed later in the year. The Treaty of Nanking between China and Great

Britain in 1842 did not expressly provide for the enjoyment of a privilege of extraterritoriality by British subjects; but at the same time there were substantial grounds for believing that such a concession was granted by the Chinese authority as part of the price paid for the restoration of peace and friendship. The grounds for so believing are that the General Regulations signed between China and Great Britain referred to a certain correspondence exchanged at Nanking in 1842 which conceded to Britain the principles of extraterritoriality, that such a concession by China was expressly stated by the Marquis of Lansdowne in the House of Lords some three months after the treaty of Nanking arrived at London, and that the General Regulations were considered and understood at the time as forming a part of the treaty of peace. China's formal recognition of alien extraterritoriality was embodied in the Treaty of Peking, signed in 1860, after the war between China and the allied forces of Great Britain and France. Since that year, subsequent treaties with America, Sweden, Denmark, and almost all the other countries with whom China had conventions gave this extraterritorial jurisdiction to foreigners residing in China. In 1876 the treaty of Chefoo was entered between China and Great Britain as the result of the murder of an Englishman in Yun-Nan, a southern province, by the uncivilized mountain tribes there. One of the important features of this treaty is the recognition by China of the alien extraterritorial jurisdiction in her territory. Foreign and mixed courts are now established in the alien settlements and leased territories to try cases in which aliens are involved.

To understand this problem we shall first examine the rules governing the exercise of such rights of extraterritoriality. If a case concerns the aliens of one and the same nationality, then all questions in regard to rights, whether of property or of person, shall be subject to the jurisdiction of their own authorities. But if the dispute affects the subjects of different nationalities, then it shall be regulated by the treaties existing between the various states, "without interference on the part of China." In respect to mixed suits or actions between Chinese and foreigners, the treaties provide that in civil suits Chinese and aliens shall state their grievances at the alien consulate and in case the consul cannot settle them amicably, then he shall request the assistance of the Chinese authorities; and, in criminal cases, Chinese criminals shall be tried and punished by Chinese authorities, according to Chinese law, while alien criminals shall be tried by their consuls and punished according to their own national law. There is another novel system existing in Shanghai both in the International and French Settlements. It is the so-called Mixed Court. A mixed court is a Chinese tribunal which decides all suits and actions between Chinese who are resident within the settlements, as well as between Chinese and foreign residents in cases where Chinese are defendants.

The extent of extraterritorial jurisdiction in China covered all questions in regard to rights of property and of person. In practice, the jurisdiction over the person of aliens in China is very far-reaching and unlimited. For instance, wherever a subject of a foreign power may go within the Chinese dominions he brings with him his right of exemption from the ter-

ritorial jurisdiction and when he commits an offence he shall be handed over to the nearest consul of his nation for punishment. By right of extraterritoriality, a foreigner in China is immune from search by Chinese authorities in his house or vessel within the treaty ports. Under the aegis of extraterritoriality there has grown up in some twenty-five open ports a practice for some of the grantees to establish their own post offices therein. After the Boxer troubles of 1900, to prevent a recrudescence of the anti-foreign outrages, international garrisons are stationed between Tientsin and Peking and the Legation Quarter in Peking maintains its own legation guards. All these practices impair China's territorial integrity and national independence and were imposed upon China against her will.

Deficiencies of the extraterritorial jurisdiction are numerous and they constitute strong reasons for its relinquishment. A Chinese may enter a suit against a foreigner in the latter's national court, or vice versa, but the latter is entitled to no relief if he counterclaims against the plaintiff. This disability may entail hardships and inconveniences, but it is a necessary result of the immunity from process in the local courts. It is the price for which they must pay for this immunity. Therefore extraterritoriality is not at all absolutely advantageous to the aliens who enjoy it.

Uncertainty of punishment in the system causes much complaint among the Chinese against this system. Difficulties in the way of languages, differences in court procedure, the disparity of punishments in the two systems and the complexities of Western law prevent a Chinese from having his redress against an

alien in the latter's consular court. Then there is the practice in most consular courts for the prisoners charged with grave offences to be sent home for final trial and punishment. In such cases the sequel is generally unknown to the Chinese directly interested and the belief becomes inevitable that such criminals have escaped unpunished. This practice, therefore, both damages the good name of the foreign country and robs the Chinese of the satisfaction of knowing that due punishment has been inflicted on the guilty. Moreover, alien offenders of law are more leniently treated by his consular court than a Chinese by his own national court. But Chinese involved in law suits in the mixed court are treated very harshly. For instance, an accidental homicide is excusable in Western law, but in Chinese law the accused is nevertheless made to compensate the family of the deceased. Over this point cases of disputes between China and the Western powers are repeatedly found in the history of Chinese diplomacy. On the other hand, criminal carelessness may not be punishable unless it results in an injury to the person of another, as an injury involving damage to property is civilly actionable; but in the Shanghai foreign settlements, Chinese are convicted and sentenced to imprisonment by the mixed courts for carelessness resulting in damage to the property of aliens.

Besides these legal objections to the extraterritorial jurisdiction in China, the system is very obstructive to foreign trade in China. Owing to the almost unlimited rights of extraterritoriality, China cannot throw her doors wide open to all aliens to trade in all parts of China. Owing to the demarcated areas

within the open ports and the separate municipal administrations in those areas, Chinese look upon aliens with suspicion and unfriendly feelings. If international trade in China is to thrive and not to be hindered by artificial barriers, early relinquishment of all the extraterritorial rights by all treaty states with China must be promised. When China is open to the residence of all aliens and all restrictions as to passports, demarcated areas, etc., are disposed with, a new era of prosperity of Far Eastern Trade will inaugurate.

In present day China, any fear of possible renewal of anti-foreign movement has no more ground for existence because the conservative Manchu dynasty has been replaced since 1911 by the progressive republican government. Moreover, China has long awakened to her international obligations. Her international status has been definitely settled. She has participated in the Hague, Geneva, and other universal conventions. She has also taken part in such minor international gatherings as legislated for the white slave traffic, protection of birds, bills of exchange, prison reform, hygiene and sanitation, and the like. She was formally recognized as a member of the family of nations soon after her revolution eight years ago. And, lastly, but most significantly, China diligently engaged herself in the recent world struggle against German autocracy, in checking the eastward advance of the Bolsheviki movement in Siberia, in forming the peace treaty of 1919 at Paris, and in drafting the Constitution of the League of Nations. Therefore she is universally recognized to-day an independent sovereignty, and as such she must be treated accordingly. Nothing in international law

hinders a nation from existing as an independent state more than the practice of extraterritorial jurisdiction, and therefore its abolition must be immediately acceded.

It is indeed true that China has defects in her judicial system. But she has shown great progress toward the legal reform during the last few years. In 1904 a code of commercial law, following the principles of that of England, was adopted. A Bureau of Law Reform was established in Peking in 1908 to take up the work of recodification of Chinese Laws. This was succeeded by Law Codification Commission, appointed in 1914. This commission, with a group of foreign advisers, has been studying all law systems of the world. Efforts have been made to codify Chinese laws in accordance with the spirit of European and American laws. Already a draft of new criminal code was published in Chinese last September, which was subsequently translated with English and French. A new Civil Code is in the process of revising now. It has been the hope of the commission that within five years the revision of Chinese Laws will be completed and promulgated. Thus China's claim of relinquishment by extraterritoriality, gradually if not immediately, is not altogether unjustifiable.

As to the stationing of international garrison and legation guards in China, no more necessity is found today. Anyone who is in any way familiar with recent affairs in China can recall that every time there is any disturbance in any part of China, the Chinese authorities, whether north or south, immediately proceed to protect the aliens' person and property. In no case has this duty been neglected. China has been

known as one of the most trustworthy nations in adhering to her treaty obligations. She should be given a free hand to guard foreign legations in Peking and the international guards should be called back at once, because her troops and police are capable enough now to look after the safety of foreigners in China.

Regarding foreign postal system in China, there is no more need of its further existence either. Since March 1, 1914, China is admitted as a member of the International Postal Union. The act of admitting a new member presupposes a recognition of the efficiency of its system on the part of the co-signatories of the union. Therefore there is no valid reason for the continuous existence of these twenty-five foreign post offices in different parts of China.

From the above facts, it is clear to the world that the relinquishment of extraterritorial jurisdiction in China is not a problem of non-importance. Already, in 1902, the Chino-British Commercial Treaty of Shanghai expressed Britain's willingness to relinquish her extraterritoriality in China in these words: "China having expressed a strong desire to reform her judicial system and to bring it into accord with that of Western Nations, Great Britain agrees to give every assistance to such reform, and she will also be prepared to relinquish her extraterritorial rights when she is satisfied that the state of Chinese laws, the arrangement for their administration, and other considerations warrant her in so doing." The United States and Japan followed the example of Great Britain in 1903 and Sweden in 1908 in promising to relinquish their extraterritorial rights when they shall find China's laws satisfactory to them. This consent might have been

perfect if it had been coupled with either a probationary time-limit clause or an honor clause, or both. To say that within a definite period of, say, five years if China shall satisfactorily reform her judiciary in harmony with the Western systems, all extraterritorial rights therein will be withdrawn or surrendered, would povide a strong incentive to a people who are doing their utmost to put their house in order. China thus waits for a fair and just decision from the Conference.

VI. The Retrocession of Leased Territories

To treat in great detail the causes and events of the Opium War of 1842 and the Arrow War of 1860 will be too long a story. Suffice it to say that these wars were the first ones that led China to open her ports to foreign trade, and they marked a new era in the history of Chinese diplomacy. Before the former date, it is true, there were foreigners in China. But their status was of an undefined nature. In 1842 the Treaty of Nanking was entered between China and Britain and five ports were thrown open to international trade, namely, Canton, Foochow, Amoy, Ningpo and Shanghai. Besides, China for the first time in her recent history ceded to Great Britain by this treaty the island of Hong-Kong. The treaty of Peking of 1860 which concluded the Arrow War between China on the one hand and the allied forces of Great Britain and France on the other, ceded to Great Britain a portion of the township of Kowloon, which is a peninsula standing in a strategic position overlooking Hong-Kong. For a long time Great Britain coveted this territory and before the signing of the Treaty of Peking she had already secured a lease of

the same in perpetuity. Eleven more ports were opened in 1861. They were: Newchwang, Tenchow, Taiwang, Tsaochow, Hainan, Tansui, Nanking, Chenkiang, Kiukiang Hankow and Tientsin. Fifteen years later, in the treaty of Chefoo, entered into between China and Great Britain, five more ports—Yeechang, Wuhu, Wen-Chow, Peihai of Kwangtung Province and Tsung-Chin of Szechuan Province—were opened to foreign trade.

The "scramble" for territorial leases and railway and mining concessions of 1898 marked the climax of foreign aggression in China. For a petty grievance of the murder of two German missionaries in Shangtung province, China was made to lease to Germany under duress Kiao-Chou for a period of ninety-nine years. Germany also forced China to cede to her railway and mining rights in the province of Shantung. Although the leased territory was meant to be enjoyed by the lessee for peaceful engagements, Germany made use of it as a naval station. Russia, one of the two imperialistic countries in the Far East, forced China to lease to her Liaotung Peninsula for a period of twenty-five years. In 1905, this lease was transferred to Japan by Russia as one of the terms of the Treaty of Portsmouth which concluded the Russo-Japanese War, in spite of the fact that such leases were explicitly made non-transferable. The Treaty of May 25, 1915, between China and Japan extended the lease to ninety-nine years. In the same year, 1898, France obtained a lease from China of Kwang Chow-Wan for ninety-nine years and Great Britain obtained from China a lease of Weihaiwei "for so

long a period as Port Arthur (the lease of Liaotung Peninsula, including the famous port, Port Arthur) shall remain in the occupation of Russia." In their essential features, these leases resemble one another; and for the duration of the tenancy the territorial sovereign's administrative rights are suspended, unless expressly reserved, and in their place those of the lessee states substituted.

The places agreed upon for international trade and residence are of four different kinds: (1) A concession, or piece of territory conveyed by deed of grant in perpetuity to a lessee state for the residence of its nationals, the same to be administered by it, "saving the sovereign rights of the Emperor of China." (2) A settlement, or site selected for the residence of all foreigners, within which they may organize themselves into municipality for certain purposes and be governed by their elected representatives. (3) A voluntary settlement, or one in a port spontaneously opened by China itself for the residence of aliens, of which the control of municipal administration and police remain vested in the local authorities. (4) A settlement by sufferance, or one within which the residents have acquired, without any formal agreement on the part of the territorial sovereign, the tacit right to govern themselves as a municipality.

It is clear that all these leased territories and settlements were wrung from China unwillingly. Moreover, the object of the powers in occupying these strategic ports was for purposes of keeping "balance of power" one with another. This phrase, however, has only a historical value to-day and is no longer

applicable to the Far Eastern situation. The lease of Kiao-Chou like that of Port Arthur, was illegally transferred to Japan in 1915. Such transference may be diplomatic, but they are illegal insofar as China is concerned with the lessee and cannot let any other power to take over the leased rights. The principle of the League of Nations as proposed by President Wilson is to do away with the balance of power among the strong nations in the weaker and less developed countries. The allied powers can do no better good to China than to return these leased territories to China so as to do full justice to the League of Nations. All jealousy and suspicion among the Western nations and Japan in their interests in China will be done away with if the first principle of open diplomacy is to be enforced. Besides, China is never going to alienate any part of her territory to any foreign power hereafter, as her Peace Delegates openly proclaimed in Paris recently, and China will be thrown wide open to all foreign trade and residence without any further need of the sphere of influence of any power in any part of China. In the treaties of these leases, almost invariably there were the so-called non-alienation clause regarding to railway and mining rights China ceded to the lessees.

Today, the sole power that is dominating the Far Eastern Affairs is Japan, who holds both the leases of Port Arthur and of Kiao-Chou, which formerly belonged to Russia and Germany respectively. China will neither stand for a further extention of balance of power, which will be contradictory both to the principles of the Open Door policy as proclaimed

by Secretary John Hay of the United States in 1898 right after the "scramble" for concessions, and to the principles of the League of Nations; nor will China stand for the most unwelcomed Japanese domination in China. The political philosophy of an international democracy is a product of the twentieth century and the allied powers are its creators. If such a democratic political philosophy is to prevail and to lead to perpetual peace among nations, neither balance of power nor Japanese domination in China should be tolerated by all the nations in the world. Circumstances which had called the leased territories into existence have now all fundamentally altered. New circumstances have now come into existence which call very urgently for the restoration of the leased territories to China. The United States, being China's special friend and the originator of the Open Door policy in China, ought to finish the game by absolutely mowing out seeds of imperialism and autocracy in the Far East as well as in Europe, and advocate the restoration of all the leased territories and settlements in China.

VII. The Abolition of Financial Imperialism

Financial Imperialism is the financial control of one nation over another through politics. It is firstly to control a nation financially, then to strangle it and finally to place it under alien receivership. As applied to China the control is deliberately planned. It has a malicious purpose. Every nation has her own in-

terest to serve. Hence there was "battle of concessions" and there was general scramble at the expense of China.

The most objectionable fact is the system which sanctions what is known as the right of preference. It consists of two main species. The first is the polito-commercial zone system styled "Spheres of Influence" signifying that a particular piece of territory shall not be alienated to any third state without the consent of the other contracting party. The second provides that one contracting state shall have the right to be offered the first option to accept or refuse a certain contemplated transaction. Let us consider the first. Elaborate historical treatment is unnecessary. Suffice it to say that a little after the Chino-Japanese war the battle of concessions was started. In 1897 France wanted China to declare for herself that she would never alienate or cede the Island of Hainan to any foreign power "either as a final or temporary cession or as a naval station or a coaling depot." In 1898 Great Britain suggested and China agreed that she shall never alienate the provinces adjourning Yangtze River either as lease mortgage or any other designation. In order to make her position doubly secure Great Britain had tipped off the once terrible Polar Bear by the understanding reached between the two powers declaring that "first Great Britain engages not to seek for her own account or on behalf of British subjects or others any railroad concessions to the north of the Great Wall of China and not to obstruct directly or indirectly applications for railroad concessions in that region supported by Russian

government, and secondly Russia on her part engages not to seek for her own account or on behalf of Russian subjects or others any railroad concessions in the basin of the Yangtze and not to obstruct directly or indirectly applications for railroad concessions in that region supported by the British government." In 1898, due to the demand of Japan, China declared non-alienation of the province of Fukien "with all the territory in the interior and along the sea coast within its limits." In 1915 China declared to the same power that within the province of Shantung or along its coast no territory or island shall be leased or ceded to any foreign power under any pretext. In the same year she further assured the same power that she has given no permission to foreign nations to construct on the coast of Fukien province dockyards, coaling stations for military purposes, naval bases, or to set up other military establishments.

The legal phase of the sphere of influence need not be discussed, for, aside from the formal conventions which might seemingly give it legal sanctity, international law does not justify its existence. The law of nations allows the excluding of other powers in a given territory by a given power only when that territory is contiguous to her dominions or protectorates or strategic locations that may be used to the disadvantage to the said power by an enemy. China is neither a dominion of nor a protectorate under any power, hence no spheres of influence can be recognized.

It is, however, the economic side that endangers China most. These so-called "spheres" are really politico-commercial zone systems. They influence

the exchange of commodities as well as the import of capital. The power that has the predominating influence can always create artificial conditions in favor of her own commodities. These artificial conditions may take the form of reduced taxes, rebates in transportation or in half a dozen other ways. As far as commodities are concerned, however, there may not be sufficient ground for over apprehension, for after all competition may not be entirely done away with. We can manage to adapt ourselves to new conditions and struggle for the markets. But when we consider the import of capital we face a different problem. As is deducible from the Anglo-Russian agreement, the necessary result from this zone system will be as is intended to be the exodus of available capital from other sources. No nation will take the chance of stepping into somebody's threshold if she is not ready to go to the limit, which in the last analysis may mean war. Economically speaking then, the sphere of influence is really no less than a political guarantee of a monopoly for economic exploitation by the country that has the predominating influence. The exclusive character can not be over-emphasized, for it is the one factor that gives to those spheres their unique distinction as well as notoriety. Such is financial imperialism pure and simple. It is the alliance of power with wealth, the combination of flag and capital that has played such havoc with the peaceful Republic.

The second of the system of rights of preference is the right of the first option to accept or refuse a certain contemplated transaction. It applies to loans as well as railroad and other con-

cessions. Art. XVII of the Reorganization Loan of 1913 for 25,000,000 pounds sterling, for example, reads as follows: "In the event of the Chinese Government desiring to issue further loans secured upon the revenues of the salt administration, or to issue supplementary loans for the purposes of the nature of those specified in Art. II of this agreement, the Chinese Government will give to the banks the option of taking such loans . . . The Chinese Government undertakes further that for a period of six months after the complete issue of this present loan and the payment of the last instalment thereof in terms of the prospectus, it will not proceed to the issue of any other government loan or loan having a government guarantee concluded later than April 10th, 1913, without previous agreement of the banks." The right of first option is even more clearly brought out in the loan of 1911 for industrial development and currency reform. Art. XVI of the agreement reads "If the Imperial Chinese Government should desire to obtain, from other than Chinese sources, funds in addition to the proceeds derived from the loan to continue or complete the operations contemplated under this agreement the Imperial Chinese Government shall first invite the banks to undertake a loan to provide the funds required; but should the Imperial Chinese Government fail to agree with the banks as to the terms of such supplementary loan, then other financial groups may be invited to undertake the same and should the Imperial Chinese Government decide to invite foreign capitalists to participate with Chinese interests in Manchurian

business contemplated under this loan, or to be undertaken in connection therewith the banks shall first be invited to participate."

The same can be said of railroad loans except the stipulation goes even further. In essence it provides that the creditor having advanced the money for the construction of a railroad in a given piece of territory, all funds for the construction of subsequent lines within the territory will likewise be provided by the same creditor unless he should decline the option. It is only plain that these terms are onerous to a degree that is unbearable and give a political hue to purely financial transactions. It is financial imperialism, it is again political maneuvering for economic exploitation. The debtor nation may want to borrow elsewhere or may even likely secure better terms, but under the agreement she must approach the same creditor nation again for accommodations unless the latter chooses to decline. This creates a virtual monopoly in favor of generally foreign capitalist and particularly capitalists of the contracting party. With the politico-commercial zone systems installed here and there and almost everywhere, the question is whether China is allowed to stand on her own feet. Is she to be helped by the family of nations or is it their deliberate attempt to prove that the history of Egypt can, and, with determination will be made to repeat itself in China irrespective of consequences?

The scramble for the privileges for railroad construction is described by Lord Salisbury as the "battle of concessions." As in everything else, it is essentially politico-commercial. The very nature

of it can be easily imagined by the claim of a certain well known minister at Peking, who said, "I repeat what I said to you when here, not a bona fide or approximately practical scheme which has been brought to this legation has failed to be put through." One can readily see what kind of terms are generally imposed upon China when the diplomats flock into Peking with a group of shrewd concessionaires. There are two kinds of railroad concessions: (1) Concessions to foreign governments, and (2) concessions to individuals or to companies backed up by their respective governments. The first group of concessions to foreign governments was demanded for political purposes. France has extended the Tonking line into Yunnanfu. Russia has extended her Trans-Siberian into Manchuria. Great Britain has resorted to similar measures. But the policy of Japan in South Manchuria affords an illuminating example of the working of the "Spheres of Influence," of the doctrine of the first option and of "Spheres of Interests," especially in connection with railroads. After the Russo-Japanese War, Japan gained the vantage ground of Liao-tung Peninsula and the control of the South Manchuria railroad through the instrumentality of which she virtually dominates Manchuria. In the Portsmouth treaty and in her subsequent treaties with China, Japan has pledged to observe the "Open Door" policy and to preserve the integrity of China. But no sooner than the war had been concluded before Japan started to carry out her imperialistic program. At the point of bayonet she forced China to allow her to build the new

Antung-Mukden railroad. She furnished half of the capital for the construction of the Hsinmingtun Mukden and Kirin Changchun lines. In obtaining these concessions she took care to make it understood that, if the lines were to be extended, application for assistance should be first made to her. This stipulation did not seem to be as formidable as it really was, it was nothing short of a monopoly.

For instance, in 1907 China made a contract with a British firm to build the railroad from Hsinmingtun to Fakumen in Manchuria. Objection was made by Japan on the ground that this line would parallel part of the Japanese South Manchurian railroad and she produced in support of her position a secret clause of the Yuan-Komura agreement in 1905 made between China and Japan concerning Manchuria. China denied that she had accepted that agreement; but Japan induced England to refuse support to the British firm, and China was compelled to abandon the project.

Again, in 1909, a project was developed by American, British and Chinese interests for the construction of a Chinese government line from Chinchow to Aigun. The plan was approved by the Chinese government and had the support of the American government. It is generally understood that the British government at first favored the project until Japan and Russia finally signified their disapproval. They absolutely vetoed the scheme on the ground that it would be a menace to their economic interests in Manchuria. The rights and interests of China received no consider-

ation; and the Chinese government and American capital were forbidden to construct a railroad on the Chinese soil.

While the negotiations for the building of the Chinchow-Aigun railroad were in progress, Mr. Knox, then Secretary of State of the United States, advanced a proposal, saying "the most effective way to preserve the undisturbed enjoyment by China of all political rights in Manchuria and to promote the development of the open door and equal opportunity would be to bring the Manchurian highways, the railroads, under an economic, scientific, and impartial administration by some plan vesting in China the ownership of the railroads through funds furnished for that purpose by the interested powers willing to participate." The British and the German governments were in sympathy with the general principles of the scheme; but the Japanese government promptly announced her disapproval. As a result the whole project was set to nought. Whatever the merits of Mr. Knox's proposal, it clearly brought out the fact that Japan was determined to keep other nations out of Manchuria and that China's autonomy was seriously compromised.

Turning now to loans we will find the same intention to control China financially through diplomacy. The various loans are too numerous to enumerate. They represent also an enormous sum. The annual interest charges are already a financial strain to a nation that is yet young in industrial development. The Boxer Indemnities add to the drain on her economic sources. The effect of both these charges is to so reduce the revenue of the government that

most of the reform measures can not be carried into conclusion. It is bad enough to be a debtor nation, worse yet is it to be one that has to accept whatever usurious and onerous terms the creditor nations may seek to impose.

Of loans there are two kinds. One is the public loan and the other is the loan for specific purposes, as for instance the construction of railroads. The latter have been sufficiently treated under railroad concessions, hence they need not be repeated any further. The Public loans are loans directly to the government for general purposes, for instance, the reorganization in 1913 after the Revolution. Loans require securities of one sort or another, and in China various sources of revenue where the government derives its chief support are pledged as securities. In the course of the last score of years, many taxes, as the custom duties, the likin charges, as well as other taxes, were already pledged as securities. Should there ever occur a default of payment the taxes are to be transferred and administered by the custom authorities. Accordingly, China appears to be an enormous piece of mortgage. Other provisions are equally exacting and are of a monopolistic nature. The points discussed under previous topics apply here as well. In 1913, for example, failing to agree with the banking syndicate at Peking, China succeeded in securing credits in the London market. But the attempt was discredited by the syndicate. It merely strengthened the latter's cohesive power. The Six power group subsequently formed with the backing of their respective governments worked for the monopoly of

loaning money to China. The ulterior motives of some powers became evident during the process of negotiations. The American group withdrew after President Wilson's declaration that the United States would not be a party to any attempt to hamper the young Republic financially or politically.

There is no need for describing any further. The "Spheres of Influence," the right of first option, railroad concessions and loans point unmistakably to the existence of financial imperialism or of a policy of financial control through diplomacy. That justice demands the discontinuance of financial imperialism under all circumstances none will deny. That even expediency demands the inauguration of a new era can be easily explained. The world has reached a state of cosmopolitan consciousness, and its chief concern in future, as is at present, will be the maintenance of peace. Financial imperialism as practised in China is exclusive of each other's interests. It is competitive and conflicting. And where there is conflicting interest there is germ for rupture which may eventually lead to war. The world is tired of war. Will it tolerate factors that cause war?

SUMMARY

The above peace claims of China do not suggest any unreasonable outburst of patriotic passion, but rather indicate briefly the wrongs that China has suffered in the past. Since China began her relations with foreign nations, nearly a century ago, she has been outraged one way or another by different powers at different times. Her international prestige and national honor have been broken down to pieces. Her territorial integrity has been no more true in actual conditions, though still in diplomatic phraseology. Her political independence has been reduced to nothing but a mere fiction. In the late years, Japan even tries to get control of her finance and army. Thus China has nearly lost her right of existence as a sovereign and independent nation. Yet China has always showed good will toward all, and given no provocation to any. Is it just to strangle a nation of such a brilliant past and of such a promising future? Is it right to endanger the destiny of 400,000,000 industrious and peace-loving people?

Surely the Peace Conference will answer these questions negatively. The spirit of the glorious victory of the war indicates the birth of a universal feeling that imperialism of any description must be totally condemned and cast away as a dead theory of the by-gone generation; the goal of the proposed League of Nations, embodied in President Wilson's lofty ideals and enlightened principles, promises to mankind an upright new regime of nationalism and internationalism, based on right and justice. With this spirit and toward that goal, not only China has the ample justification to claim for an

international adjustment that would give her an honorable place among the family of nations, but also the Paris Conference has an important duty to work out such a readjustment so as to make China an efficient and effective member of the League, and unroot all the causes of the future wars now fermenting in the Far East. Such a readjustment will not only mean the safety of China's place under the sun, but ultimately also the permanent peace of the world.

China is a sovereign and independent nation. She wants to exist as such. Her territorial integrity must be maintained. Kiao-Chou, including the port of Tsing-tao, must be unconditionally returned. Japanese domination in China in general and in Shantung and Manchuria in particular must be terminated. China must have complete sovereignty over her territory. "Spheres of Influence" must be abolished. All the territories that have been leased to different powers against China's will, like Port Arthur, Talien-Wan, Kwang-Chou-Wan and Wei-Hai-Wei, should be one and all restored to China. No more "Balance of Powers" should be tolerated. Mongolia, Manchuria and Tibet are integral parts of China's territory. No attempt at either luring them away from China or exercising special influence over them should be permitted.

China wants her political independence respectfully observed. The notorious Twenty-One Demands and the malicious treaties that Japan forced China to accept must be made null and void. The entity of China's jurisdiction must be restored. Extraterritoriality now existing in China should be relinquished gradually, if not immediately. For-

eign garrisons stationed at various places of China should be recalled. Foreign post offices in China should be closed. China must have absolute freedom in her financial affairs. The conventional tariff now in force in China should be removed. Political stipulations should not be allowed in contracting any loan between China and other powers, for whatever purposes. Boxer Indemnity which was exacted from China far beyond the actual injuries done to foreign powers should be cancelled. China's army and navy represent China's sovereignty. No nation should be allowed to get control of them.

These major claims of China aim at nothing but the restoration of her complete sovereignty and independence which she is morally and legally entitled to. Unless the Far Eastern status is radically revised by the enlightened powers now gathering at Paris, the League of Nations will be only a dream. Unless "Spheres of Influence" and "Balance of Powers" are done away with, the permanent peace of the world will not be in sight. Unless all the wrongs done to China in the past are one and all righted, the happiness of mankind would never be realized.

In reply to the question asked by the Peking correspondent of The New York Times, Why did China endorse the League? Premier Chien Neng-Hsun said, "There are two considerations. First China believes in the establishment of justice and right throughout the world, and, second, China herself feels that she may expect the world to apply these principles to her own problems." In an interview with the some correspondent, President Hsu Shih-Chang said, "If unfortunately the League of

Nations fails to become a fact, the result will not only be that the world's aspiration will remain unrealized, but that the Far East may become the first region dangerously affected." These words of Premier Chien and President Hsu voice the sentiment of all China. China endorses the League with full expectation and faith, will the other members of the League do full justice to her?

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